

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 Fremont Street, 21st Floor
San Francisco, CA 94105**

File No. REG-2007-00031

Date: December 18, 2007

**Amended Regulations Re: Law Enforcement Access to
Insurance Claims Information**

FINAL TEXT OF REGULATIONS

§2698.82 Deposit of Information to Claims Analysis Bureaus.

(a) Insurers shall deposit insurance claims information to a licensed insurance CAB within sixty (60) calendar days of receipt of that insurance claims information.

(b) Any supplemental insurance claims information provided to the insurer during the life of the claim shall be reported within sixty (60) calendar days of receipt of that supplemental insurance claims information. ~~Only supplemental insurance claims information regarding the categories set forth in CIC Section 1875.15 must be reported pursuant to this subsection.~~

(c) No Claims Analysis Bureau shall charge any fee to any insurer for depositing the information required by this section including supplemental insurance claim information.

(d) The Commissioner reserves the right to perform such audits as he or she may deem necessary to determine that appropriate insurance claims information is deposited within the time frames specified in these regulations.

NOTE: Authority cited: Sections 1875.18 (d) (2), Insurance Code Reference: Sections ~~1875.15 and~~ 1875.18, Insurance Code.

§2698.84. Procedure for Correction of Incorrect Information Deposited In a Claims Analysis Bureau.

(a) Any person who believes that any insurance claims information maintained by a Claims Analysis Bureau is incorrect may request in writing that the CAB investigate whether or not the information is correct.

(b) Within 30 days from the date of receipt of a written request pursuant to subsection 2698.84(a), a CAB shall either:

- (1) Correct, amend or delete the portion of the insurance claims information in dispute; or
- (2) Notify the individual of:
 - (A) The CAB's refusal to make such correction, amendment or deletion.
 - (B) The reasons for the refusal.
 - (C) The individual's right to file a statement as provided in subdivision (d).

(c) If the CAB corrects, amends or deletes recorded insurance claims information in accordance with this subsection, the CAB shall notify the individual in writing and furnish the correction, amendment or fact of deletion to any person specifically designated by the individual who may have, within the preceding two years, received the incorrect information.

(d) Whenever an individual disagrees with a CAB's refusal to correct, amend or delete insurance claims information, the individual shall be permitted to file with the CAB:

- (1) A concise statement setting forth what the individual asserts is the correct, insurance claims information; and
- (2) A concise statement of the reasons why the individual disagrees with the insurance claims information maintained by the CAB.

(e) In the event an individual files either statement as described in subdivision (d), the CAB shall file the statement with the disputed insurance claims information and provide a means by which anyone reviewing the disputed insurance claims information will be made aware of the individual's statement and have access to it.

NOTE: Authority cited: Sections 1875.18(d) (2) Insurance Code.

Reference: Section 1875.18(d) (2), Insurance ~~Code~~ Code.

§2698.87 Security Procedures Applicable To Information Deposited To A Claims Analysis Bureau.

(a) Every CAB shall establish and adopt administrative policies and procedures and physical controls to: prevent the unauthorized access to its system of records; to prevent unauthorized disclosure of records; and to prevent physical damage to or destruction of records. At a minimum the administrative policies and procedures and physical controls shall require that:

- (1) records are protected from public view;
- (2) the area in which records are kept is supervised during business hours to prevent unauthorized persons from having access to them;
- (3) records are inaccessible to unauthorized persons outside of business hours;
- (4) records are not disclosed to unauthorized persons or under unauthorized circumstances in either oral or written form; and,

- (5) direct access to records is restricted to only those individuals who must have direct access to records in order to perform their duties.

(b) Every Claims Analysis Bureau shall provide annual training regarding its administrative policies and procedures and physical controls to all employees to prevent: unauthorized access to its system of records; unauthorized disclosure of records; and physical damage to or destruction of records.

(c) A CAB may delegate any functions described in CIC 1875.11 (b) to another entity providing:

- (1) the CAB provides annual training and instruction required by subsection 2698.87 (b) to all individuals performing any aspect of the function delegated by the CAB; and,
- (2) the CAB annually provides to the Insurance Commissioner a list of the names, addresses and the Taxpayer Identification Number (TIN) of the individuals that perform any aspect of the function delegated by the CAB to the entity.

(d) Every Claims Analysis Bureau shall maintain records establishing full compliance with the applicable provisions of Section 2698.87 and shall immediately provide any requested information regarding information deposited with the CAB to the Insurance Commissioner upon request.

NOTE: Authority: Section 1875.18(d)(2), Insurance Code.
Reference: Sections ~~1875.15 and~~ 1875.18, Insurance Code.

§2698.89.1 Effective Date.

(a) The regulations set forth in this subchapter shall become effective upon filing with the Secretary of State.

b) All persons or entities subject to the regulations set forth in this subchapter shall have until July 1, 2007 to fully comply with the provisions of this subchapter.

NOTE: Authority: Sections 1875.18, Insurance Code.
Reference: Sections ~~1875.15 and~~ 1875.18, Insurance Code.

(Repealed text is stricken out and adopted text is underlined).